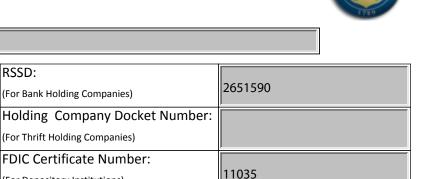
ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Peapack-Gladstone Financial Corp (Peapack-Gladstone Bank)



Gladstone

New Jersey

Person to be contacted regarding this report:	Jeffrey J. Carfora, EVP, CFO
CPP Funds Received:	\$28,685,000
CPP Funds Repaid to Date:	\$7,172,000
Date Funded (first funding):	1/9/2009
Date Repaid¹:	1/6/2010

¹ If repayment was incremental,	please enter the most recent
repayment date.	

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

(For Depository Institutions)

City:

State:

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

\overline{X}		The loan portfolio "shrunk" for 2009 as repayments, sales, and charge-offs more than offset new
	than otherwise would have occurred.	The loan portfolio "shrunk" for 2009 as repayments, sales, and charge-offs more than offset new loan originations of \$244 mil. The portfolio may have shrunk more over the course of the year, had the company not had additional capital to enable it to lend to credit worthy borrowers.

X	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	New loan originations of \$244 mil for 2009 were made up of \$150 mil for residential first mortgage loans; \$35 mil for commercial loans (incl multi family and commercial real estate loans); and \$59 mil for consumer and other loans.
X	etc.).	The securities portfolio increased during 2009, initially due to funds provided by CPP, but ongoing, due to cash provided from deposit growth.
	Make other investments	
X	Increase reserves for non-performing assets	Although, our 2009 provision for loan losses and 2009 charge-offs would have been the same without the benefit of the CPP funds, the additional capital provided by the CPP enabled us to maintain a stronger balance sheet and capital position after provisions, than without the CPP funds.

	Reduce borrowings	
×	Increase charge-offs	Although, our 2009 provision for loan losses and 2009 charge-offs would have been the same without the benefit of the CPP funds, the additional capital provided by the CPP enabled us to maintain a stronger balance sheet and capital position after provisions, than without the CPP funds.
	Purchase another financial institution or purchase assets from another financial institution	
	Held as non-leveraged increase to total capital	As noted above, the funds increased our capital levels and were not leveraged. Rather, they provided capital to support ongoing lending and investment.

What actions were you able to avoid because of the capital infusion of CPP funds?				
	The loan portfolio may have "shrunk" more over the course of the year, had the company not had additional capital to enable it to lend to credit worthy borrowers. The company would have liked to lend more than its 2009 levels, but loan demand was weak. With the CPP, the Company's balance sheet is positioned so more loans can be made as the economy improves and loan demand increases.			

company would have lik	maintain new loan originations at a substantial level - \$244 mil for the year. ed to lend more than its 2009 levels, but loan demand was weak. With the CPP, the Company's balance sha be made as the economy improves and loan demand increases.	eet is
THOREG SO MOTE TOATIS CAI	be made as the economy improves and loan demand increases.	

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.			

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.